

HUMAN SERVICES DEPARTMENT [441]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services proposes to amend Chapter 75, “Conditions of Eligibility,” Iowa Administrative Code.

This amendment adjusts the premiums assessed for the coverage group “Medicaid for employed people with disabilities” (MEPD). Iowa Code section 249A.3, subsection 2, paragraph “a,” specifies that a person in this group whose gross income exceeds 150 percent of the federal poverty level shall pay a premium based on a sliding fee schedule. The maximum premium must be commensurate with the cost of group health insurance for state employees. The Iowa State Plan for Medical Assistance, approved by the federal Centers for Medicare and Medicaid Services as a condition of federal funding, provides that the maximum premium shall be equal to 7.5 percent of the person’s gross income.

The cost of state employee health insurance changes each year in January. The cost of state employees’ health insurance for 2009 has gone down. Therefore, premiums for MEPD members are being reduced. The proposed rules have smaller changes in the amount of the premium at lower income levels, where most premium payers fall, to assure that low-income premium payers do not face large premium increases due to small increases in income. The changes to the poverty level increments are required to keep the top premium at 7.5 percent of income.

The Department of Health and Human Services announces new poverty level guidelines

annually, usually in late January. The date on which the MEPD premiums will be revised is being changed because there is insufficient time to amend the premium amounts by April 1 without emergency rules.

These amendments do not provide for waivers in specific situations because all members should be subject to the same income-based premiums. A member who feels that exceptional circumstances justify a different premium may request a waive under the Department's general rule on exceptions at 441--1.8(17A,217).

Any interested person may make written comments on the proposed amendments on or before April 1, 2009. Comments should be directed to Mary Ellen Imlau, Bureau of Policy Analysis and Appeals, Department of Human Services, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by E-mail to policyanalysis@dhs.state.ia.us.

These amendments are intended to implement Iowa Code section 249A.3(2)(a).

The following amendments are proposed.

ITEM 1. Amend paragraph **75.1(39)"b"** as follows:

b. Eligibility for a person whose gross income is greater than 150 percent of the federal poverty level for an individual is conditional upon payment of a premium. Gross income includes all earned and unearned income of the conditionally eligible person. A monthly premium shall be assessed at the time of application and at the annual review. The premium amounts and the federal poverty level increments above 150 percent of the federal poverty level used to assess premiums will be adjusted annually on ~~April~~ August 1.

(1) and (2) No change.

(3) Premiums shall be assessed as follows:

IF THE INCOME OF THE APPLICANT IS ABOVE: THE MONTHLY PREMIUM IS:

150% of Federal Poverty Level	\$29 <u>\$25</u>
180% of Federal Poverty Level	\$53 <u>\$40</u>
220% of Federal Poverty Level	\$80 <u>\$55</u>
240% <u>250%</u> of Federal Poverty Level	\$110 <u>\$70</u>
262% <u>280%</u> of Federal Poverty Level	\$140 <u>\$85</u>
318% <u>310%</u> of Federal Poverty Level	\$170 <u>\$100</u>
342% <u>340%</u> of Federal Poverty Level	\$200 <u>\$120</u>
390% <u>370%</u> of Federal Poverty Level	\$230 <u>\$140</u>
425% <u>400%</u> of Federal Poverty Level	\$260 <u>\$165</u>
<u>430% of Federal Poverty Level</u>	<u>\$190</u>
460% of Federal Poverty Level	\$291 <u>\$220</u>
500% <u>490%</u> of Federal Poverty Level	\$323 <u>\$255</u>
548% <u>530%</u> of Federal Poverty Level	\$354 <u>\$295</u>
607% <u>575%</u> of Federal Poverty Level	\$392 <u>\$340</u>
666% <u>620%</u> of Federal Poverty Level	\$430 <u>\$390</u>
725% <u>670%</u> of Federal Poverty Level	\$471 <u>\$452</u>
824% of Federal Poverty Level	\$535

(4) to (11) No change.

ITEM 2. Amend paragraph **75.1(39)"d,"** introductory paragraph, as follows:

d. For purposes of this ~~rule~~ subrule, the following definitions apply: